

5/045/049



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Salt Lake District Office
2370 South 2300 West
Salt Lake City, Utah 84119

APR 27 1999

IN REPLY REFER TO:

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U-73999

(UT-023)

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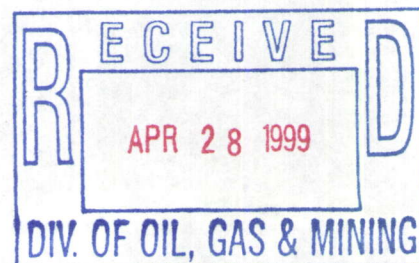
Return Receipt Requested

William Moeller

Clifton Mining Company

70 West Canyon Crest Road, Suite D

Alpine, Utah 84004



Dear Mr. Moeller:

On January 27, 1999, we received your completed Plan of Operations for milling activities on your Cactus millsite located in T. 7 S., R. 18 W., Section 35. Your plan is approved, subject to the following stipulations:

1. Because the operation, as currently proposed, may produce an acid-generating condition within the tailings impoundment, the operator is required to conform to the standards found in Utah Instruction Memorandum (IM) 96-58 and Washington Office IM 96-79, dated April 2, 1996. Utah IM 96-58 allows for the imposition of appropriate monitoring and mitigation measures on the proponent. Sites with potential ARD problems should be inspected quarterly, and the inspections should be scheduled when any potential ARD problems would be most readily apparent.

During the life of authorized milling activities at the Cactus Millsite, samples shall be taken on a quarterly basis by an independent third-party contractor, during the months of January, April, July, and October. The sample analysis shall be submitted to the Salt Lake Field Office by the 15th day of the month following sample collection. Each quarterly monitoring report shall be based on the collection and analysis of a single sample taken from fresh tailings at the outlet pipe as the material enters the tailings impoundment. Advanced waste characterization and mitigation by the operator would be necessary if the site characterization work identifies a potential ARD problem.

2. The operator is required to line both the tailings impoundment and fresh water pond with a liner which has a minimum thickness of 40 mils. An equivalent liner may be approved if the proponent can demonstrate that the equivalent liner will function as well or better than the above-specified minimum thickness.
3. Adequate measures shall be taken to ensure that the tailings impoundment and fresh water pond liners remain intact throughout the duration of the project and for lifetime storage.

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4. To reduce surface/vegetation disturbance, access to and from the millsite shall be confined to existing routes of travel. No other routes of travel are authorized.
5. The operator is required to obtain all necessary permits from the Utah Department of Oil, Gas and Mining, the Department of Water Quality, or any other pertinent local, county, State of Utah agencies prior to the continuation of operations on the subject millsite.
6. The operator's proposal to remove tailings material from the tailings impoundment and use it to backfill cuts, scrapes, and miscellaneous excavations is not authorized. This material would be considered to be hazardous waste at the time the mill shuts down and as such, cannot be removed from the tailings impoundment area.
7. No new surface disturbance is authorized on the subject millsite without the submittal of a new Plan of Operations or Plan Amendment.
8. The operator must obtain authorization from the appropriate Tooele County agency(s) for the storage and use of chemicals listed in the Plan of Operations. In addition, this authorization (and associated documentation) must be made available for inspection at the millsite at all times.
9. The operator is required to store all chemicals to be used at the millsite in an area (or areas) above the existing alluvial floodplain surface (above 5,300 feet above sea level) to eliminate any potential for discharge into the groundwater.
10. The operator is not authorized under this Plan of Operations to discharge any chemicals or process-water onto or into the ground. All chemicals and process-waters must be disposed of in accordance with County Waste Discharge regulations and Utah State Department of Environmental Quality guidelines.
11. The operator is required to stockpile and store any available topsoil for final reclamation. If no topsoil has been stockpiled, the operator is required to import topsoil from offsite for final reclamation. At the end of the project, all disturbed areas shall be recontoured and covered with the stockpiled or imported topsoil, then reseeded with an appropriate mixture of native (live) plant species according to BLM specifications. After site rehabilitation, all perimeter fencing material shall be removed by the operator at his expense.
12. The operator is required to demonstrate what the normal rate of flow is at Cane Spring, to assure that the proposed use does not interfere with BLM's water right for a continuous flow of 252 gallons of water per hour at the Cane Spring source.
13. Any fill or other soil material required for on-site road maintenance and repair must be taken from areas of previous surface disturbance within the boundary of the subject millsite.
14. All chemicals and fuels shall be stored in a secure and safe area. Spills of these liquids and chemicals shall be avoided. To prevent off-site contamination in the event of an accidental spill, all of these materials are required to be stored in an area surrounded by an earthen berm, or in accordance with Tooele County regulations.

15. All hazardous wastes created during the course of normal operations must be removed from the millsite area immediately and disposed of properly. No hazardous material may be left on the subject millsite after operations have ceased.
16. In order to mitigate any impacts of the proposed operation on cultural resources, the operator is not authorized to destroy, disturb, or modify in any way, the existing historic structures on the millsite without first obtaining the services of an archaeologist to evaluate the site and having him/her make a determination as to the site's suitability for nomination to the National Register of Historic Places.
17. The operator is not permitted to take water from the existing 10,000 gallon water tank located adjacent to Cane Springs, nor divert any water from BLM's existing water right at Cane Springs. BLM's asserted right to use 252 gallons of water per hour from Cane Springs for livestock and wildlife uses must be maintained.
18. Plan approval is subject to the operator's submittal to the BLM of copies of all permits obtained from the State of Utah's Department of Environmental Quality and Division of Water Quality based on the size and scale of the subject authorized milling operation. Copies of these permits must be received by the BLM prior to the onset of any milling operations on the site.
19. The operator is required to demonstrate to the BLM that a hazardous discharge/transport would not escape from the millsite area. The operator is therefore required to conduct sampling and laboratory analysis of the soils within the drainage channel. The collection of samples shall be taken in the following manner:
 - A. Four surface soil samples are required to be taken twice per year, during the months of January and July, each year that the mill is in operation;
 - B. The four sample locations include the following: 1) one site downstream from the mill facility along the existing drainage at the BLM/State land boundary in T. 7 N., R. 18 W., Section 35; 2) one site along the existing drainage about 1.5 miles from the mill facility, at the State/BLM boundary in T. 7 N., R. 17 W., Section 30; and 3) two sites on BLM managed land adjacent and northeast of the mill facility in a location above the existing drainage to check for wind-borne contamination.
 - C. The sampling locations shall be approved by the BLM, and each is to be marked with a metal fence post to assure that sampling is repeated in the same location each time.
 - D. Samples must be collected by a State Department of Environmental Quality certified soil sampler, and analyzed by a State Department of Environmental Quality certified analytical laboratory. Chain of custody must be maintained and Quality Control/Quality Assurance for each sample must be demonstrated by the sampler. If preferred by either the operator or the BLM, the BLM could have the samples taken and analyzed, with the operator paying for the collection and processing of the samples.

- E. Laboratory analysis must be conducted using the EPA SW-846 Method 6010, using ICP for arsenic, lead, barium, cadmium, selenium, chromium, silver, copper, and zinc, with mercury analyzed by the cold vapor method. The pH of each sample must also be provided.
20. The operator is required to provide to the Salt Lake Field Office, prior to the onset of milling operations, copies of all Material Safety Data Sheets for all of the chemicals proposed for use during milling operations.
 21. Practice good housekeeping measures, maintaining the area free of trash and debris. Store trash in proper containers and periodically haul it to an authorized landfill site, not on public land.
 22. If cultural or paleontological resources are discovered during the course of milling operations, all work at the point of discovery will cease and the Salt Lake Field Manager will be notified. Surface disturbance within 100 feet of the point of discovery is not authorized until a written notice to proceed is received by the operator from the Salt Lake Field Manager.
 23. Clifton Mining Company did not comply with 43 CFR 3715.4, regarding the submittal of an "Existing Occupancy Notification Form" by October 15, 1996. This form was required from mining claimants to determine if occupancy of the site(s) was "reasonably incident" to their operation. If properly submitted by the deadline, the Bureau of Land Management (BLM) would generally grant a one-year grace period for ongoing occupancy, structures or fencing until a determination if occupancy was reasonably incident could be made. Because Clifton Mining Company has not indicated in the submitted Plan of Operations that a permanent residence or caretaker is required for the milling operation, the construction of housing or permanent habitation by a caretaker or other individual is not authorized at the millsite. In addition, the gates located along the perimeter fence surrounding the Cactus millsite cannot be locked or be used to prohibit access of the site by the BLM.
 24. All storage of equipment, supplies, materials, ore or any residue of the milling operation will be accomplished in a manner which minimizes surface disturbance.
 25. All operators shall maintain the site, structures and other facilities of the operation in a safe and clean condition during any non-operating periods. The operator will be required, after an extended period of non-operation for other than seasonal operations, to remove all structures, equipment or other facilities and reclaim the site of operations, unless he/she receives permission, in writing from the authorized officer to do otherwise. For the purposes of 43 CFR 3809.3-7, an extended period of non-operation is considered to be one year.
 26. Written notification will be provided to the BLM within 30 days of completion of operations and reclamation by the operator.
 27. The operator must comply with all county, state, and federal standards and regulations.
 28. Any proposed activity not authorized by this Plan of Operations shall not proceed without prior approval of a plan amendment by this office.

This authorization is subject to the operator submitting a bond in the amount of \$32,550, to assure that reclamation is completed at the conclusion of operations. Please submit the requested bond within 30 days of receipt of this letter or we will consider your Plan of Operations to be withdrawn and expect the millsite to be reclaimed immediately.

An appeal from this decision may be taken to the State Director, Utah State Office, BLM, in accordance with the provisions in Title 43 of the Code of Federal Regulations (CFR) Subpart 3809.4. If an appeal is taken, the notice of appeal must be filed in this office at 2370 South, 2300 West, Salt Lake City, Utah, 84119 within thirty (30) days from receipt of this decision.

Do not send the notice of appeal to the State Director. The appeal and the case history will be sent to the State Director from this office. The appeal to the State Director must contain: 1) the name and mailing address of the appellant; 2) when applicable, the name of the millsites and serial number(s) assigned to the millsites recorded pursuant to Section 3833 of this title which are subject to appeal; and 3) a statement of reasons for appeal and any arguments the appellant wishes to present which would justify reversal or modification of the decision. To avoid summary dismissal of the appeal, there must be strict compliance with the regulations.

During the appeal to the State Director, all decisions from which the appeal is taken shall be effective during the pendency of the appeal.

If no appeal is taken, this decision constitutes final administrative action of this Department, as it affects the millsite(s). No appeal, protest, or petition for reconsideration will be entertained from this decision after the appeal period has expired.

If you have any questions, or require additional information, please feel free to contact Michael Ford of my staff at (801) 977-4360.

Sincerely,

GLENN A. CARPENTER

Glenn A. Carpenter
Field Manager

cc: D. Wayne Hedberg
Division of Oil, Gas and Mining